

TROUTMAN SANDERS LLP

The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: (212) 704-6000
Facsimile: (212) 704-6288
Hollace T. Cohen, Esq.
Paul H. Deutch, Esq.

Attorneys for New South Federal Savings Bank, F.S.B.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Chapter 11 Case

LEHMAN BROTHERS HOLDINGS, INC., *et al.*

Case No. 08-13555 (JMP)

Debtors.

Jointly Administered

**JOINDER OF NEW SOUTH FEDERAL SAVINGS BANK, F.S.B.
TO THE OBJECTION OF BARCLAYS CAPITAL INC., BARCLAYS
BANK PLC AND THEIR AFFILIATES TO DEBTORS' MOTION,
PURSUANT TO SECTION 502(b)(9) OF THE BANKRUPTCY CODE
AND BANKRUPTCY RULE 3003(c)(3), FOR ESTABLISHMENT OF
THE DEADLINE FOR FILING PROOFS OF CLAIM, APPROVAL OF
THE FORM AND MANNER OF NOTICE THEREOF AND APPROVAL
OF THE PROOF OF CLAIM FORM**

New South Federal Savings Bank, F.S.B. ("New South"), by and through its undersigned attorneys, hereby joins in the Objection of Barclays Capital Inc., Barclays Bank PLC and their affiliates (the "Barclays Objection") to Debtors' Motion, Pursuant to Section 502(b)(9) of the Bankruptcy Code and Bankruptcy Rule 3003(c)(3), for Establishment of the Deadline for Filing Proofs of Claim, Approval of the Form and Manner of Notice Thereof and Approval of the Proof of Claim Form (the "Debtors' Proof of Claim Motion"), and states as follows:

1. New South and Lehman Brothers Special Financing, Inc. (“LBSF”) are parties to that certain ISDA Master Agreement, dated as of February 16, 1993 (together with the Schedule, dated February 16, 1993, the Credit Support Annex, dated February 16, 1993 (the “Credit Support Annex”) and any and all confirmations entered into thereunder, as the same may have been supplemented, modified, amended, restated or replaced from time to time in the manner provided therein, the “Agreements”).

2. Lehman Brothers Holdings Inc. (“LBHI”) is designated as a Credit Support Provider under and pursuant to the Agreements. As a Credit Support Provider, LBHI is a guarantor of LBSF’s obligations to New South arising under and pursuant to the Agreements.

3. Since 1993, New South and LBSF have entered into a series of derivative transactions under and subject to the Agreements.

4. The Debtors’ Proof of Claim Motion seeks to establish special procedures and requirements for claims based on derivative contracts and guarantees of derivative contracts. Pursuant to the Agreements, New South has derivative contract claims and guarantee claims against LBSF and LBHI that are the subject of the Debtors’ Proof of Claim Motion. New South intends to file proofs of claim against both LBSF and LBHI with respect to such derivative contract claims and guarantee claims.

5. New South has reviewed the Debtors’ Proof of Claim Motion and joins in the Barclays Objection on the basis that the Debtor has proposed a bankruptcy claims filing process for derivative contract claims and guarantee claims that, inter alia, (i) is unjustified and contravenes the letter and spirit of the Bankruptcy Code and Bankruptcy Rules; (ii) is tantamount

to “one-sided” discovery in favor of the Debtors; and (iii) is extremely onerous, costly and unnecessary.

WHEREFORE, for the reasons set forth in the Barclays Objection, New South respectfully requests that this Court (i) deny the Debtors’ Proof of Claim Motion, (ii) enter a bar date order substantially in the form attached to the Barclays Objection as Exhibit “A”, and (iii) grant such other and further relief as this Court deems just and proper.

Dated: New York, New York
June 12, 2009

Respectfully submitted,

TROUTMAN SANDERS LLP

By: /s/Hollace T. Cohen
Hollace T. Cohen
Paul H. Deutch
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
(212) 704-6000

*Attorneys for New South Federal
Savings Bank, F.S.B.*